

Message Text

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73

ACTION XMB-07

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 /089 W

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R 301226Z JAN 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 2269

INFO AMCONSUL HONG KONG

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EO 11652 NA

TAGS: EGEN, KS

SUBJECT: KOREA EXCHANGE BANK CFF

REF STATE 15992

1. EMBOFFS CALLED ON KOREAN EXCHANGE BANK (DEB) EXECUTIVE VICE PRESIDENT LEE, HAE MUNG ON JAN. 28 TO RELAY INFORMATION ON EXIM BOARD ACTION INCREASING KOREAN CFF BY \$10 MILLION. (KEB HAD NOT YET LEARNED OF EXIM ACTION.) WHILE EXPRESSING PLEASURE AT EXIM ACTION, LEE STATED THAT CURRENT BACKLOG FOR CFF FUNDS WAS \$14 MILLION. HE ASKED WHETHER EXIM APPROVAL OF \$10 MILLION INCREASE MEANT \$10 MILLION FROM EXIM AND \$10 MILLION FROM COMMERCIAL BANK OR TOTAL INCREASE OF \$10 MILLION (\$5 MILLION EXIM AND \$5 MILLION COMMERCIAL).

2. LEE ALSO REQUESTED EMBOFF ASK EXIM FOR CLARIFICATION OF PRODUCTS ELIGIBLE FOR CFF FINANCING. HE SAID THAT EXIM'S POLICY ON USE OF CFF FOR AGRICULTURAL PRODUCTS AND INDUSTRIAL RAW MATERIALS WAS UNCLEAR. SPECIFICALLY HE ASKED IF LOANS IN THOSE CATEGORIES WOULD BE CONSIDERED ON CASE-BY-CASE BASIS OR WHETHER ABSOLUTE PROHIBITION EXISTED. HE POINTED OUT THAT SUBSTITUTION OF EXIM-GUARANTEED COMMERCIAL LOANS WOULD BE MUCH

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MORE COSTLY TO KOREAN BUYERS SINCE COMMERCIAL IMPORTS

REQUIRE PRE-DEPOSITS UP TO 110 PERCENT OF VALUE.

3. LEE MENTIONED CHASE MANHATTAN AS POSSIBLE SOURCE
OF ADDITIONAL COMMERCIAL BANK FUNDS FOR NEXT
LOAN TO KEB.
ERICSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, FOREIGN EXCHANGE HOLDINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Errors: N/A
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Handling Restrictions: n/a
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ISecure: 1
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Office: ACTION XMB
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 2
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Previous Handling Restrictions: n/a
Reference: STATE 15992
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Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 22 JUL 2002
Review Event:
Review Exemptions: n/a
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Review Markings:

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EO Systematic Review
30 JUN 2005

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